

**TO ALL KNOWN CREDITORS**

Our ref HA1475/DAE/3B  
Your ref  
Date: 19 November 2013

When telephoning please ask for  
David Evans  
Direct Dial 0116 249 2013  
Email david.e@springfields-uk.com

Dear Sir / Madam

**Halal Monitoring Committee Limited - In Compulsory Liquidation ('the Company')**  
**Leicester County Court No 10 of 2012**  
**Former trading address: 83 Rolleston Street, Leicester LE5 3SD**

I write following the end of the first anniversary of the Liquidation I detail below my report on the progress of the Liquidation for the period 5 October 2012 to 4 October 2013 and it should be read in conjunction with my previous report of 26 October 2012

**1. Company and Liquidator's Details**

Company Name	Halal Monitoring Committee Limited
Company Registered number	05223745
Registered Office	38 De Montfort Street Leicester LE1 7GS
Former Registered Office	83 Rolleston Street, Leicester LE5 3SD
Name of Liquidator	Situl Devji Raithatha, Licensed Insolvency Practitioner of Springfields Business Recovery & Insolvency Ltd 38 De Montfort Street Leicester LE1 7GS
Date of Appointment	5 October 2012

SATURDAY



QIQ 30/11/2013 #137  
COMPANIES HOUSE



**Directors**

S D Raithatha FCA MIPA FABRP  
D R Raikundalia ACCA MIPA MABRP  
All office holders are licensed in the United Kingdom to act as insolvency practitioners by the Association of Chartered Certified Accountants

[www.springfields-uk.com](http://www.springfields-uk.com)

Springfields is a trading name of Springfields Business Recovery & Insolvency Limited  
Registered in England & Wales number 4851970  
Registered office 38 De Montfort Street Leicester LE1 7GS

## **2. Further information about the Company**

The Company is a Registered Charity. It provided a service to the UK Muslim community in certifying the authenticity of food supplied that purports to be Halal and has 14 Directors who are also Trustees of the charity. The Company had an Executive Committee

Around six weeks before the Company officially ceased to trade (stated by a director to have been 29 February 2012), a new company called HMC UK Limited ('HMC UK') with similar objects was set up and took over the business of the Company. Under the Company's Constitution, such a transfer by the Executive Committee was only permissible provided that all debts and liabilities of the Company were paid, which they were not.

Some of the core records of the Company are missing, for example all cash records and sales and purchase day books and ledgers. The directors state that the records were left in the Company's trading premises to await collection by the liquidator. The Official Receiver's staff were unable to gain admission to the premises and, by the time a member of my staff visited the premises, nothing remained there which belonged to the Company. My efforts to obtain an explanation to this matter are continuing.

However, all of the Company's bank statements for several years up to and beyond the date of the Winding-up Order have been obtained.

## **3. Receipts and payments & the Liquidator's actions since appointment**

I enclose a summary of my receipts and payments account for the period from 5 October 2012 to 4 October 2013. Please note that the receipts and payments are shown exclusive of VAT.

Since my appointment, I have been making extensive enquiries of certain of the directors, certain former employees, the Company's agents, various third parties, the successor Company, HMC UK, and the Company's bankers. These enquiries, together with my investigations, have produced some useful information but the level of disclosure to date, on the whole, is unsatisfactory.

The Company's former solicitors, who now act for three of the Company's Trustees, have recently entered into correspondence with my solicitors, but it still remains the case that my questions are not being answered in sufficient depth. This issue is being addressed.

### **Book debts**

In my report to creditors of 26 October 2012, I mentioned that information provided by the Company indicated book debts due of around £40,000. In fact, the list which was passed to me totals £34,650. That list had been provided by the Company to the Official Receiver.

Attempts have been made to collect these debts and we do have most of the relevant sales invoices. To date, however, only £1,235.66 has been paid to me. I recently handed over collection to agents to pursue the remainder.

Up to now, my agents have received no funds from debtors but their efforts are continuing.

See also 'Investigations' regarding our enquiries into the Company's dealings with HMC UK.

The remaining receipts are either self-explanatory or are explained in my report of 26 October 2012.

### **Business premises**

The premises were rented under an informal tenancy, with the rent being paid on a monthly basis.

### **Tangible assets**

In my report to creditors of 26 October 2012, I mentioned that the Company's latest published accounts indicated physical assets with a book value of £39,946. It appears that these consisted mostly of partitioning paid for by the Company and installed into the rented premises. The director who gave information to the Official Receiver states that, in his opinion, this was of little realisable value.

When a member of my staff visited the premises, the offices had been gutted and extensive renovations were underway.

## **4. Investigations**

I conducted an initial assessment of the Company considering the information acquired in the course of appraising and realising the assets of the Company.

A comparison of the assets listed by the Official Receiver with the last filed accounts was undertaken in order to ascertain whether all assets were identified and material movements could be properly explained.

During my investigations into the affairs of the Company, I have identified as aforementioned an intercompany account with HMC UK. Enquiries are being made into the Company's dealings with HMC UK, which have various aspects. It is not possible to quantify the balance at the present time.

I have also identified a number of transactions which are under careful review. These include:

- Possible Preferences in the six months leading up to the date of presentation of the Winding-up Petition against the Company
- A series of cash withdrawals from the Company's bank accounts
- Void payments to creditors during the period between the presentation of the Petition and the making of the Winding-up Order

- Payments permitted by the Company's bankers after the Winding-up Order was made
- Payments made to certain directors where no authority from the Directors or the Executive Committee has yet been produced to me

I consider that any detailed disclosure of these investigations may compromise and be prejudicial to any future litigation and outcome and therefore details are not being provided at this stage, although I can confirm that the quantum of the potential assets and claims are estimated to be at least £170,000 and therefore material in the context of the Liquidation

## **5. Outcome for creditors**

### ***Secured Creditors***

An examination of the Company's mortgage register, held by the Registrar of Companies, showed that there were no outstanding debentures against the Company

### ***Preferential Creditors***

The handover documents sent by the Official Receiver anticipated no preferential claims. One preferential claim has been received to date from HMRC for £4,906 for unpaid PAYE and NIC

### ***Crown Creditors***

The handover documents sent by the Official Receiver anticipated £637,894 owed to H M Revenue & Customs ("HMRC"), in respect of VAT as the petition debt. I have received a Proof of Debt from HMRC for VAT totalling £685,146 which is subject to amendment on the rendering of outstanding VAT returns. Whether or not such returns are rendered will depend on the Directors producing to me the remainder of the Company's records and there being a prospect of a dividend to creditors.

The handover documents sent by the Official Receiver also anticipated £90,791 owed to H M Revenue & Customs ("HMRC"), in respect of PAYE and NIC. I have received a Proof of Debt from HMRC for PAYE and NIC totaling £90,705.04

### ***Unsecured Creditors***

The Statement of Affairs estimated other unsecured claims of £22,500, in respect of which no Proofs of Debt have as yet been received. There is another potential unsecured claim for £8,509.54 (see Receipts and payments account).

As with the debtors, there is some uncertainty over the true liability position of the Company, owing to the absence of certain key books and records.

Based on present information, it is uncertain whether there will be sufficient funds to enable a distribution to unsecured creditors.

The quantum and timing of any such distribution is dependant heavily on recoveries from my on-going investigations and the costs of the Liquidation.

## **6. Liquidator's remuneration**

At the first meeting of creditors held on 22 November 2012, my remuneration was agreed on a time costs basis. I enclose a breakdown summarising my time costs for the period 5 October 2012 to 4 October 2013, subject to the posting of timesheets. No amounts have yet been drawn on account of this. I also enclose a schedule of my firm's current charge out rates for your information.

A description of the routine work undertaken in the liquidation to date is as follows:

- 1 Administration and Planning
  - Preparing the documentation and dealing with the formalities of appointment
  - Statutory notifications and advertising
  - Preparing documentation required
  - Dealing with all routine correspondence
  - Maintaining physical case files and electronic case details on IPS and DocuSoft
  - Review and storage
  - Case bordereau
  - Case planning and administration
  - Convening and holding a meeting of creditors
- 2 Cashiering
  - Maintaining and managing the liquidator's cashbook and bank account
  - Ensuring statutory lodgements and tax lodgement obligations are met
- 3 Creditors
  - Dealing with creditor correspondence and telephone conversations
  - Preparing reports to creditors
  - Maintaining creditor information on IPS
  - Reviewing proofs of debt received from creditors
- 4 Investigations
  - Extensive reviewing and storage of books and records
  - Conducting investigations into suspicious transactions
  - Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
  - Companies House research
  - Visiting the Company's solicitors, inspecting a file and discussing it with them

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Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Corresponding with both of the Company's accountants, certain Directors, several former employees, landlord of the former trading premises, both of the Company's bankers, the Company's solicitors, the Official Receiver, suppliers to the Company
- Internet research, holding of various meetings, visiting former trading premises and landlord
- Two visits to one of the Company's former accountants
- Arranging several collections of Company records

**7. Liquidation Expenses**

I attach a schedule breaking down the expenses incurred by me during the period

I have employed Shakespeares, Solicitors, of Leicester as Professional Advisors. They have written to the Trustees/Directors of the Company, their agents, and a variety of third parties. They have advised generally on all matters arising in my investigations which have been drawn to their attention. The Fee Arrangement is based on time costs and/or 10% of recoveries plus disbursements, depending on circumstances.

My choice of them was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

**8. Creditors' Rights**

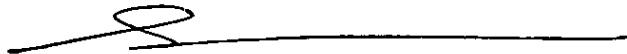
An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

**9. Summary**

The Liquidation will remain open until my investigations into all the matters mentioned above have been completed and funds have been received in full wherever possible to collect. Once these matters have all been dealt with, the Liquidation will be finalised and I will progress to close my files.

Dated 19 November 2013

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line.

**Situl Devji Raithatha**  
Liquidator

**Halal Monitoring Committee Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 05/10/2012 To 04/10/2013
	<b>ASSET REALISATIONS</b>	
40,000 00	Book Debts	1,235 66
6,500 00	Cash at Bank	NIL
	Bank Interest Net of Tax	51 29
	Potential Preferences	NIL
	Misfeasance claims	NIL
	Claim against bank	NIL
	Refunds of Void Payments	8,509 54
		<u>9,796 49</u>
	<b>COST OF REALISATIONS</b>	
	DTI Cheque Fees	5 65
	Sec of State Fees	1,469 47
	Petitioner's Costs	1,995 00
	Specific Penalty Bond	120 00
	Trustee's Remuneration	NIL
	Third Party Funds	NIL
	Legal Fees and disbursements	2,250 00
	Legal Fees	NIL
	Third Party Photocopying	3 25
	Land Registry Fees	4 00
	Storage Costs	86 00
	Statutory Advertising	63.18
	Room hire	NIL
	Bank Charges	88 00
	Photocopying and printing	NIL
		<u>(6,084 55)</u>
	<b>UNSECURED CREDITORS</b>	
(751,184.00)	Trade & Expense Creditors	NIL
		<u>NIL</u>
<u>(704,684.00)</u>		<u><u>3,711.94</u></u>
	<b>REPRESENTED BY</b>	
	Vat Receivable	487 29
	ISA NIB	3,224 65
		<u><u>3,711.94</u></u>

Situl Devji Raithatha  
Liquidator



## Charge out rates and disbursements policy for Insolvency Department

With effect from 1<sup>st</sup> August 2013 (subject to annual review)

### Hourly Rate effective 1 August

Grade	2013	2012
	(£)	(comparative) (£)
Director	380	360
Manager	220 – 285	205 – 265
Administrator	125 – 195	115 – 180

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minutes)

### Disbursements policy

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP 9 on all insolvency appointments. These fall into two categories

Category 1 disbursements are costs which comprise external supplies and are paid to an independent third party. These generally include, for instance, advertising, bond, travel expenses (excluding mileage) and external storage of records

Category 2 disbursements are costs which are directly referable to the appointment but not a payment to an independent third party. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, e.g. business mileage. Category 2 disbursements require approval by creditors before they can be drawn.

### Category 2 disbursements

Photocopying / printing	10p per sheet
Internal storage of books and records	Initial £6.10 per box, £4.80 per box per annum
Internal room hire	£100 per statutory meeting
Mileage (own car usage)	45p per mile

### Creditors' Guide to Fees

(Produced by the Association of Business Recovery Professionals)

Creditors should note that a copy of the appropriate Creditors' Guide to Fees is available on request from this office or a copy can be accessed on the Insolvency Practitioners Association website [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) under the heading 'Regulation and Guidance' and then by following the link to 'Creditors' Guide to Fees'

All amounts detailed above are shown exclusive of VAT, which will be charged at the prevailing rate



#### Directors

S. D. Raithatha FCCA MIPA FABRP  
D. R. Raikundalia ACCA MIPA FABRP  
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**Halal Monitoring Committee Limited - In Compulsory Liquidation**

**Details of expenses for the period 5 October 2012 to 4 October 2013**

**Expenses**

<b>Type</b>	<b>Incurred in Period (£)</b>	<b>Paid in Period (£)</b>	<b>Outstanding c/f (£)</b>
Specific Penalty Bond	120 00	120.00	-
Third Party Photocopying	3 25	3.25	-
Land Registry Fees	4 00	4 00	-
Storage costs	128 70	86 00	42.70
Statutory Advertising	63 18	63 18	-
Room hire	100 00	-	100 00
Photocopying	147 00	-	147 00
			-
<b>Total</b>	<b>566 13</b>	<b>276.43</b>	<b>289 70</b>

# Time Entry - Detailed SIP9 Time & Cost Summary

HA1475 - Halal Monitoring Committee Limited  
From 05/10/2012 To 04/10/2013  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	0 00	1 10	16.20	0 00	17 30	2,987 50	171 53
101 Case Planning	0 00	10 00	0 00	0 00	10 00	2,650 00	265 00
102 Administrative set-up	0 00	1 80	7 70	0 00	9 50	1,896 50	198 58
104 Maintenance of Records	0 00	8 40	9 90	0 00	18 30	3,528 50	192 81
105 Statutory Reporting	0 00	2 10	2 20	0 00	4 30	981 50	228 26
106 VAT & Tax Returns	0 00	0 30	0 70	0 00	1 00	198 50	198 50
107 Case Monitoring	0 60	23 20	2 40	0 00	26 20	6,692 50	255 44
<b>Administration &amp; Planning</b>	<b>0 60</b>	<b>48 90</b>	<b>39 10</b>	<b>0 00</b>	<b>88 60</b>	<b>18,713 00</b>	<b>216 09</b>
500 Creditors	0 00	7 20	0 30	0 00	7 50	2,090 00	278 67
501 Communication	0 00	19 40	2 60	0 00	22 00	5,492 00	249 64
502 Claims inc emp, prefs	0 00	0 00	1 80	0 00	1 80	244 00	135 56
<b>Creditors</b>	<b>0 00</b>	<b>26 60</b>	<b>4 70</b>	<b>0 00</b>	<b>31 30</b>	<b>7,826 00</b>	<b>250 03</b>
200 Investigations	0 00	81 50	0 60	0 00	82 10	21,816 00	265 75
203 Antecedent transactions	0 00	42 50	0 00	0 00	42 50	11,590 50	272 72
<b>Investigations</b>	<b>0 00</b>	<b>124 00</b>	<b>0 60</b>	<b>0 00</b>	<b>124 60</b>	<b>33,406 50</b>	<b>268 13</b>
300 Realisation of Assets	0 00	5 70	3 90	0 00	9 60	2,083 00	216 98
301 Ident. Sec. Insuring	0 00	0 20	4 90	0 00	5 10	714 50	140 10
303 Debt collection	0 00	32 70	19 80	0 00	52 50	11,640 00	221 71
304 Sale of prop.bus.assets	0 00	0 00	0 40	0 00	0 40	54 00	135 00
305 Legal matters	0 80	41 70	0 40	0 00	42 90	11,760 50	274 14
<b>Realisation of Assets</b>	<b>0 80</b>	<b>80 30</b>	<b>29 40</b>	<b>0 00</b>	<b>110 50</b>	<b>26,252 00</b>	<b>237 57</b>
<b>Total Hours</b>	<b>1 40</b>	<b>277 80</b>	<b>73 80</b>	<b>0 00</b>	<b>353 00</b>	<b>86,199 50</b>	<b>244 19</b>
<b>Total Fees Claimed</b>						<b>0 00</b>	